

## **Downtown District Planning Overlay for Tracking & Assessing Vacant Building Ownerships Still Not Needed! (LTE from Stan Smith)**

Open Letter to the Bishop City Council & City Administration:

“Carrot or the stick?” (Inyo Register, February 13, 2021) regarding....”Resolving vacant building issue in Bishop...” continues to point out the city brought up a vacant building “problem” back in 2007 or so with then-city administrator Jim Tatum and city planning staff, and began its own push to bring about an assessment district overlaying the then-22 vacant buildings, whose owners would then be taxed to have the city create and administer its own real estate tracking system for vacancies and alleged “public nuisances” and “unsightly conditions”, just short of declaring the empty properties “blighted”.

This appears on the face to be a make-work project dreamed up for extra work at city hall. The 22 empty buildings back then have, to a major degree, been filled with new tenants, changed ownership and use, and demonstrated free real estate market dynamics in Bishop. The 2 major “chronic” vacancies which caused grief at city hall for the complaint calls they got from time to time were the still-closed Main Street K-Mart (now under long-term lease control by the Albertson’s food store conglomerate), and the Chacon property on Main Street which was an antique and peddler mall and an additional long-term warehouse on Warren Street under the Chacon ownership. The K-Mart vacancy was in part caused by a city redevelopment project which saw Von’s and K-Mart going to the Wye Street project per the city’s wishes at that time, and a “sweetheart” deal was made to keep grocery interests out of the vacant K-Mart, with Albertson’s holding a multi-option long-term stranglehold on the vacant behemoth, much to its benefit by getting rent for the vacancy.

The Chacon properties were brought under some city scrutiny a couple of years back when they proposed to build elsewhere and transfer their warehousing from Bishop’s Main Street and Warren Street retail zoned central block to a new warehouse site on East Line, which proposal got turned down by the city since it was still warehousing in an improper zone. The Chacon property may be in escrow currently and – in changing ownership – may change uses and become non-vacant. The city should check on this and erase the 2 sites from the original 22, assuming they were ever on it!

Meanwhile, the closed Mammoth Gear Exchange at Willow and Main Street was sold and is slated to become a new distillery. Mammoth Gear Exchange moved to the old Monument Bank Building at Main and Line and both those sites should also be erased from the city’s proposed vacancy registry/assessment district.

The closed Culver’s sporting goods store has sold and become an art gallery/store; its mid-block South Main Street auxiliary building which once housed a downtown liquor and convenience store is still closed but for sale currently with a local real estate company. Since it’s vacant, that must count.

The old Bishop jail on South Main has become a beauty salon/barber shoppe, along with a coffee roasting operation. Scratch another vacancy and chalk one up for active free enterprise in Bishop!

The once-dog grooming salon on North Main has been thoroughly renovated by its entrepreneur owner who deeply cares about Bishop's vitality and has spent 6 figures on renovation, and the new long-term tenant, Cerro Coso Community College, has put its own 6 figures into the tenant improvements for its new local outreach and education and job placement training facility. Scratch another empty building from the assessment district!

The old laundry behind the Eastern Sierra Community Complex has sold and is still operating, with its new owner's plan to eventually move the family jewelry store there. That possible move may create a vacancy on Main Street but not my story to tell!

The closed Bank of America building on North Main has just closed escrow after years-long negotiations with the parties involved and may soon have a new tenant and use. No assessment or registry candidate there!

Cancel the registration for the JC Penney Store, too. Investor Jim Berookhim bought the expansive property and converted it into 2 users, 1 on Main Street as Family Dollar, and an art gallery/retail sales interest on Warren Street. So 1 vacancy became 2 filled!

Almost next door, the old Inyo Council for the Arts location and next door martial arts studio is becoming the new location for the Salvation Army! No need to register and assess there, either! And, before you ask about the vacancy where the Salvation Army was on West Line Street – it's taken already! There is a vacancy in Inyo County elsewhere, but they are not advocating a registry/assessment district to my knowledge, so it doesn't count.

A vacant bbq business remains vacant while the investors sort out a plan to sell or develop, maybe into 2 spaces instead of 1.

The old Joseph's Market on Main has been slow to clean up and remove debris and neighbor complaint sources inside, but it's happening even as you read this! Their plans may involve a specialty store of some sort or look for a long-term tenant for return on their investment. Time will play this out.

2 buildings on West Line Street have changed hands with a savvy investor who saw the opportunity for mixed use in Bishop, commercial and residential. He has invested serious money in rehabbing the 2 buildings with almost-brand-new systems and conditions which are serving and will serve as examples of what can be a part of Bishop's exciting mixed-use future!

And scratch off the old Mission Linen site on West Line, too. Just in the process of changing owners and has a mysterious filled future!

A fact in real estate is vacancies occur – vacancies fill! Market dynamics, terms and conditions prevail, and economics rule! Money speaks, wanna'be's walk away and were never real.

The point I'm trying to make with all of this is that one of the city council members was quoted in the "Carrot or the stick" front-page feature as thinking the discussion and proposal of the vacant building registry and assessment and administration ordinance and program had caused owners to take heed and fill their buildings or find new buyers who would do so! Far from the truth. Fact of the matter is the commercial real estate market exists in Bishop, as elsewhere – it just takes a bit longer here. And when you add older inventory and often slow processes at city hall, perhaps in some part hindered by the covidemic and requisite distancing and unclear planning policies and zoning and code enforcement, it takes a while to jell with some investors and lenders.

Another city council member stated a would-be investor who reached out to some "two-dozen" property owners who were not willing to sell their properties. That is their right, to own or not to own! If the building or property conditions are unsightly or unhealthy or substandard, or in some way causing a public nuisance which is then brought to the attention of the city administration, code enforcement is the possible answer! Therein lies the beast!

One of the brightest council members spoke of the real issue at hand here: the county will open up its new complex in late March or April as best known now – that will create myriad empties around Bishop, perhaps creating a glut of space, many of which will most likely need refurbishing with upgraded systems to attract replacement tenancy. A potential "rent war" looms, perhaps, and other tenants may begin to bargain for lower rents to remain in place where they are now, or threaten to move if inducements for tenant improvements elsewhere seem attractive.

My hope is the city would be looking with its council and staff and administration efforts for low-cost loans for property improvement purposes, as well as offering similar low-cost loans to tenants for making upgrades in their TI situation. The city could be chasing state and federal grant monies, instead of rabbits down registry/assessment district holes!

Bishop over the years has been reluctant to enforce building safety guidelines in many cases, whether trying to be nice to neighbors or lacking the funds and staff necessary to go out in response to complaints or attempt to get ahead of the fire and public health and other safety reasons. My understanding is that a grant was received by the city for just that purpose, and that Chief Joe Dell at the Bishop fire department may have been assigned with - in essence - the looming task of building-by-building inspection for compliance and violation of the applicable code(s). My suspicion is that the great majority of commercial property owners would appreciate a courtesy inspection by Chief Dell and his staff and volunteers, so that owners could comply with any surprises that might appear during that courtesy walk-through. I don't think wide-spread citations for violations is the key here, nor is the vacant building/registry/assessment district being talked about all these years. Courtesy goes a long ways in this regard!

During testimony before the city council some years back and in conversations with staff and council members aside, I proposed the ownership list of commercial buildings in Bishop already exists for emergency purposes, owners and managers and tenants included. I indicated also the real estate community should be invited to workshops on the subject of the vacancies; that has never happened with just the real estate group in Bishop.

There is no clamor for a registry and assessment district, to be operated by the city and its staff. There is absolutely no reason for the city or its staff to interlope and “broker” inquiries from interested newcomers who visit city hall and then are led or directed to certain vacant buildings or developable properties in Bishop. That is a licensed real estate activity in the state of California and is the job of the licensed real estate professional. It is our collective knowledge, that of the many members of the Bishop Listing Service/Inyo Listing Service, which exists in Bishop and the Owens Valley, which is valuable in the regard of keeping track of vacancies and potential tenants and potential moves and evaluating properties for investors and rent schedules and creating lease and rent terms and conditions for owners, creating the basis for valuable real estate investment in our region. It is most certainly not the job of city government!

We offered that professional and expert knowledge, partially or entirely collectively, to the city and staff some years back

But we have not yet heard the invitation to meet and share and assist in true economic development for Bishop. Our work is done in the open, not behind Zoom-doors or Zoom-conferencing.

You do not have my support in any way for a building registry/special assessment district overlay to administer your program interfering with the free market operations for real estate in Bishop. If chronic vacancies offend you and your complaining constituents then search out the individual owners and deal with them on a code enforcement basis after thorough investigation of the facts, using blight and fire safety and public health issues, if they exist. Please do not paint all commercial building owners or investors as unwilling to comply with regulations, especially if you have not defined and enforced zoning and land use planning and code enforcement for the public benefit.

Stan Smith, Pleasant Valley Associates Real Estate

[UseStan@earthlink.net](mailto:UseStan@earthlink.net)

760-873-7826

CA Broker License#: 00586416